

AMENDED IN SENATE JUNE 26, 2007
AMENDED IN ASSEMBLY JUNE 1, 2007
AMENDED IN ASSEMBLY MAY 8, 2007
AMENDED IN ASSEMBLY APRIL 30, 2007
AMENDED IN ASSEMBLY APRIL 16, 2007
AMENDED IN ASSEMBLY APRIL 9, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 785

**Introduced by Assembly Member Hancock
(Principal coauthor: Assembly Member Leno)**

February 22, 2007

An act to amend Section 7028.7 of, and to add Section 7110.05 to, the Business and Professions Code, and to amend Sections 43812 and 43813 of, and to add Sections 39619.7 and 39619.8 to, the Health and Safety Code, relating to energy efficiency.

LEGISLATIVE COUNSEL'S DIGEST

AB 785, as amended, Hancock. Energy efficiency measures.

(1) Existing law, the Contractors' State License Law, provides for the licensure and regulation of contractors by the Contractors' State License Board. *Under existing law, a citation may be issued to, and penalties assessed against, a person acting in the capacity of or engaging in the business of a contractor without a license.* Under existing law, the board may take disciplinary action against a contractor for committing specified acts. Existing law makes state or local agencies responsible for the enforcement of building standards.

This bill would make unlicensed contractors who fail to comply with the building energy efficiency standards subject to a civil penalty of not less than \$2,000. The bill would specify that the failure of a licensee to comply with the building energy efficiency standards constitutes a cause for disciplinary action. The bill would also specify that the failure of a licensee to obtain a building permit, in specified circumstances, shall be subject to a citation and a civil penalty for not less than \$500. The bill would require the board, beginning July 1, 2010, and each fiscal year thereafter, to compile data and to submit a report to the Legislature no later than the first business day in October, that includes the number of fines penalties assessed by the board against licensees and unlicensed contractors for failure to comply with these standards. The bill would require the State Energy Resources Conservation and Development Commission to collaborate with the board with respect to identifying and investigating the failure of licensees and unlicensed contractors to comply with these provisions.

(2) Under existing law, the State Air Resources Board is responsible for control of air pollution from vehicular sources. Under existing federal law, the Lawrence Berkeley National Laboratory, which is responsible for science and engineering research, is owned by the United States Department of Energy. The State Energy Resources Conservation and Development Commission has responsibilities with respect to the control of emissions of greenhouse gases.

This bill would require the State Air Resources Board to be the lead agency on a joint task force comprised of the State Energy Resources Conservation and Development Commission, the Lawrence Berkeley National Laboratory, and any other state and local agencies that desire to participate in developing a coordinated plan for how to include urban heat island mitigation measures in air quality compliance standards. The bill would require the joint task force to submit a report to the Legislature by November 1, 2009, that includes the recommendations and status of the coordinated plan. The bill would also require the State Energy Resources Conservation and Development Commission to include that report in the 2009 integrated energy policy report.

(3) Under existing law, the California Energy-Efficient Vehicle Group Purchase Program, the state encourages the purchase of energy-efficient vehicles, as defined. Under existing law, the Department of General Services is required to negotiate on behalf of local and state agencies through a group-purchasing program that uses the purchasing leverage of these agencies to lower the purchase price of those vehicles.

This bill would revise the definition of “energy-efficient vehicle” to include a highly reflective colored vehicle that meets other specified requirements. The bill would define “highly reflective colored vehicle” in this context to include vehicles painted with white, metallic gold, or metallic silver exterior paint, as specified, or with colors other than white, metallic gold, or metallic silver if a specified study reveals that other highly reflective colors have been developed. The bill would require the department to procure, to the maximum extent possible, highly reflective colored vehicles, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. It is the intent of the Legislature to enact
2 legislation that mitigates the urban heat island effect by reducing
3 summertime urban air temperatures. Reducing the effect of urban
4 heat islands will help address the impact of rising temperatures
5 associated with global warming, and therefore improve air quality,
6 reduce energy use, and improve overall thermal comfort.

7 SEC. 2. The Legislature finds and declares all of the following:

8 (a) The term “heat island” refers to urban air and surface
9 temperatures that are sometimes nearly 10 degrees Fahrenheit
10 higher than nearby rural areas. Pavement, buildings, low reflective
11 building roofs, and other infrastructure that absorb the sun’s
12 radiation and trap heat, result in increased temperature in urban
13 areas.

14 (b) Average temperatures throughout California rose nearly two
15 degrees Fahrenheit between 1950 and 2000, with urban areas
16 leading the trend to warmer conditions, according to a study by
17 scientists at NASA and California State University, Los Angeles.
18 The combined effect of the urban heat island phenomena and rising
19 temperatures resulting from global warming affects the health of
20 Californians since higher temperatures and high-heat days increase
21 smog, contribute to heat-related fatalities, and overburden our
22 electricity systems.

23 (c) Higher temperatures from the urban heat island effect are
24 responsible for 5 to 10 percent of urban peak electric demand from
25 air-conditioners, and as much as 20 percent of population-weighted
26 smog concentrations in urban areas.

1 (d) The urban heat island effect poses a serious threat to the
2 economic well-being, public health, natural resources, and the
3 environment of California.

4 (e) A distinction between urban heat islands and global warming
5 exists. Heat islands describe local-scale temperature differences,
6 generally between urban and rural areas. In contrast, global
7 warming refers to a gradual rise of the earth's surface temperature.
8 While they are distinct phenomena, summertime heat islands both
9 intensify the effect of rising temperatures due to global warming
10 and may contribute to global warming by increasing demand for
11 air-conditioning, which results in additional powerplant emissions
12 of heat-trapping greenhouse gases. Strategies to reduce heat islands,
13 therefore, can mitigate the impacts of rising temperatures and also
14 reduce the emissions that contribute to global warming.

15 (f) California's building energy efficiency standards specified
16 in Part 6 of Title 24 of the California Code of Regulations include
17 specifications for cool roofing materials and other measures to
18 newly constructed buildings and alterations or additions to existing
19 buildings. Effective application of these standards will increase
20 the level of energy efficiency of California's buildings and reduce
21 the impacts of both urban heat islands and global warming and
22 thus California's ability to cope with warming from climate
23 changes that may be unavoidable.

24 (g) Simple changes that increase the reflectivity and thermal
25 emittance of roofs on our buildings, as well as measures that
26 increase the reflectivity of paved surfaces, can significantly reduce
27 temperatures, cooling our cities and help protect the public health
28 of all Californians. In addition, proper planting of trees, shrubs,
29 and other plants to shade buildings and intercept solar radiation
30 will greatly benefit the urban areas.

31 (h) Vehicles painted with exterior paint that is highly reflective,
32 reflecting 50 percent or more of the sun's rays, such as the colors
33 white, metallic gold, or metallic silver, save energy by reducing
34 the "soak" air temperature inside the cabin of a vehicle parked in
35 direct sunlight. This permits the installation of a smaller,
36 lighter-weight, and more fuel efficient air-conditioner.

37 (i) California's building energy efficiency standards, specified
38 in Part 6 of Title 24 of the California Code of Regulations,
39 represents a state resource for accomplishing increased building
40 energy efficiency, not only in newly constructed buildings but also

1 in additions and alterations to existing buildings. These standards
2 are recognized as leading the nation in energy savings and serving
3 as one of the primary energy policy tools that has resulted in
4 California's per capita energy use staying essentially constant over
5 the past 30 years while that of the rest of the United States
6 increased steadily.

7 (j) The effectiveness of the building energy efficiency standards
8 is dependent on the conscientious efforts of licensed contractors
9 in California to build buildings and install equipment in compliance
10 with the standards.

11 (k) The Governor and the Legislature recognize that many
12 buildings are being reroofed without a permit. Contractors
13 operating in the underground economy are in flagrant violation of
14 California contracting law. In particular, contractors operating
15 without a license, and whether licensed or not, willfully and
16 deliberately fail to obtain a building permit and willfully and
17 deliberately failing to comply with the building laws of the state.
18 Unlicensed and licensed contractors who market their services
19 with these underground practices represent unfair competition,
20 undercutting legitimate contractors who endeavor to
21 conscientiously comply with contracting and building laws. This
22 underground activity denies state and local governments of license
23 and building permit revenue, diminishing the ability of state and
24 local agencies to provide enforcement services intended to ensure
25 compliance with these laws. These practices particularly damage
26 and diminish the potential for conscientious compliance with the
27 building energy efficiency standards.

28 (l) The mission of the Contractors' State License Board is to
29 protect consumers by regulating contractors to promote the health,
30 safety, and general welfare of the public in matters related to
31 construction. As a part of fulfilling this mission, it is important for
32 the board's enforcement program to include efforts to eradicate
33 the underground practice of performing construction work without
34 building permits and failing to comply with the building energy
35 efficiency standards. It has become critically important for the
36 board to send a strong, definitive message to those whose objective
37 is illegal financial gain at the expense of safe building practices
38 and energy efficiency. In particular, the board should not tolerate
39 illegal practices related to the building energy efficiency standards.
40 These violations eventually result in a substantial financial loss to

1 consumers who purchase the relevant services, and epitomize
2 unfair competition that dramatically impacts the economic viability
3 of legitimate businesses. It is also important to foster a business
4 climate favorable to legitimate competition, so that conscientious
5 contractors are able to sustain their businesses by performing
6 quality construction and installing efficient energy-related
7 equipment in compliance with the building energy efficiency
8 standards. Notably, the mitigation of the urban heat island effect
9 will be a significant and beneficial result of the board's
10 enforcement activities.

11 *SEC. 3. Section 7028.7 of the Business and Professions Code*
12 *is amended to read:*

13 7028.7. (a) If upon inspection or investigation, either upon
14 complaint or otherwise, the registrar has probable cause to believe
15 that a person is acting in the capacity of or engaging in the business
16 of a contractor or salesperson within this state without having a
17 license or registration in good standing to so act or engage, and
18 the person is not otherwise exempted from this chapter, the registrar
19 shall issue a citation to that person. Within 72 hours of receiving
20 notice that a public entity is intending to award, or has awarded,
21 a contract to an unlicensed contractor, the registrar shall give
22 written notice to the public entity that a citation may be issued if
23 a contract is awarded to an unlicensed contractor. If after receiving
24 the written notice from the registrar that the public entity has
25 awarded or awards the contract to an unlicensed contractor, the
26 registrar may issue a citation to the responsible officer or employee
27 of the public entity as specified in Section 7028.15. Each citation
28 shall be in writing and shall describe with particularity the basis
29 of the citation. Each citation shall contain an order of abatement
30 and an assessment of a civil penalty in an amount not less than
31 two hundred dollars (\$200) nor more than fifteen thousand dollars
32 (\$15,000). With the approval of the Contractors' State License
33 Board, the registrar shall prescribe procedures for the issuance of
34 a citation under this section. The Contractors' State License Board
35 shall adopt regulations covering the assessment of a civil penalty
36 that shall give due consideration to the gravity of the violation,
37 and any history of previous violations. The sanctions authorized
38 under this section shall be separate from, and in addition to, all
39 other remedies either civil or criminal.

1 ***(b) Any person described in subdivision (a) who fails to comply***
2 ***with the building energy efficiency standards specified in Part 6***
3 ***of Title 24 of the California Code of Regulations shall also be***
4 ***subject to a civil penalty in an amount not less than two thousand***
5 ***dollars (\$2,000). This sanction shall be separate from, and in***
6 ***addition to, all other remedies either civil or criminal.***

7 ~~SEC. 3.~~

8 SEC. 4. Section 7110.05 is added to the Business and
9 Professions Code, to read:

10 7110.05. (a) The failure of a licensee to comply with the
11 building energy efficiency standards specified in Part 6 of Title
12 24 of the California Code of Regulations constitutes a cause for
13 disciplinary action.

14 ***(b) A licensee who fails to obtain a building permit prior to***
15 ***commencement of a work of improvement subject to the standards***
16 ***described in subdivision (a) shall be subject to a citation and an***
17 ***assessment of a civil penalty in an amount not less than five***
18 ***hundred dollars (\$500). Prior to issuing a penalty pursuant to this***
19 ***section, due consideration shall be given to subdivisions (b), (c),***
20 ***and (d) of Section 884 of Division 8 of Title 16 of the California***
21 ***Code of Regulations.***

22 ~~(b)~~

23 (c) Beginning with the fiscal year commencing on July 1, 2010,
24 and each fiscal year thereafter, the board shall compile the essential
25 data necessary to create a report identifying the number of ~~fin~~
26 ***civil penalties*** that the board assessed during the previous fiscal
27 year against licensees *and unlicensed contractors* for failure to
28 comply with the standards described in subdivision (a) *of this*
29 ***section and subdivision (b) of Section 7028.7.*** This report shall be
30 submitted to the Legislature no later than the first business day in
31 October of each year.

32 ***(d) The State Energy Resources Conservation and Development***
33 ***Commission shall collaborate with the board to identify and***
34 ***investigate the failure of licensees and unlicensed contractors to***
35 ***comply with the building energy efficiency standards and to obtain***
36 ***building permits.***

37 ~~SEC. 4.~~

38 SEC. 5. Section 39619.7 is added to the Health and Safety
39 Code, to read:

1 39619.7. (a) The State Air Resources Board shall be the lead
2 agency on a joint task force comprised of the State Energy
3 Resources Conservation and Development Commission, the
4 Lawrence Berkeley National Laboratory, and any other state and
5 local agencies that desire to participate in developing a coordinated
6 plan for how to include urban heat island mitigation measures in
7 air quality compliance standards and how to develop quantification
8 methods to offer air quality credits for those measures.

9 (b) The joint task force shall submit a report to the Legislature
10 by November 1, 2009, on the recommendations and status of the
11 coordinated plan.

12 (c) The State Energy Resources Conservation and Development
13 Commission shall also include the report prepared pursuant to
14 subdivision (b) in the 2009 integrated energy policy report prepared
15 pursuant to Chapter 4 (commencing with Section 25300) of
16 Division 15 of the Public Resources Code.

17 ~~SEC. 5.~~

18 *SEC. 6.* Section 39619.8 is added to the Health and Safety
19 Code, to read:

20 39619.8. The Legislature acknowledges and encourages the
21 continued cooperation of the State Air Resources Board, the State
22 Energy Resources Conservation and Development Commission,
23 and the Lawrence Berkeley National Laboratory to study the
24 following:

25 (a) The development of exterior vehicle paints that are highly
26 reflective, reflecting 50 percent or more of the sun's rays, in colors
27 other than white, metallic gold, or metallic silver, which shall
28 include research, practice, and costs.

29 (b) Statewide energy and air quality benefits of exterior vehicle
30 paints that are highly reflective, reflecting 50 percent or more of
31 the sun's rays.

32 ~~SEC. 6.~~

33 *SEC. 7.* Section 43812 of the Health and Safety Code is
34 amended to read:

35 43812. For the purposes of this article, the following definitions
36 apply:

37 (a) "Department" means the Department of General Services.

38 (b) "Director" means the Director of General Services.

39 (c) "Energy-efficient vehicle" means any of the following:

1 (1) A vehicle that meets California's super ultralow emission
2 vehicle (SULEV) standard for exhaust emissions and the federal
3 inherently low-emission vehicle (ILEV) evaporative emission
4 standard, as defined in Part 88 (commencing with Section
5 88.101-94) of Title 40 of the Code of Federal Regulations.

6 (2) A hybrid vehicle or ~~a~~ *an* alternative fuel vehicle that meets
7 California's advanced technology partial zero-emission vehicle
8 (AT PZEV) standard for criteria pollutant emissions.

9 (3) A highly reflective colored vehicle that also meets the
10 requirements of paragraph (1) or (2).

11 (d) "Local agency" means any governmental subdivision,
12 district, public and quasi-public corporation, joint powers agency,
13 public agency or public service corporation, authority, agency,
14 board, commission, town, city, county, city and county, fire district,
15 special district, school district, public utility, community college,
16 or municipal corporation, whether incorporated or not or whether
17 chartered or not, or any other public entity.

18 (e) "State agency" means any department, division, board,
19 bureau, commission, or other authority of the State of California,
20 the University of California, or the California State University.

21 (f) "Highly reflective colored vehicle" means a vehicle painted
22 with exterior vehicle paint that is highly reflective, such as white,
23 metallic gold, or metallic silver. In addition, if the study described
24 in Section 39619.8 reveals that exterior vehicle paints that are
25 highly reflective, in colors other than white, metallic gold, or
26 metallic silver, have been developed, a vehicle painted with exterior
27 vehicle paint in one of those colors shall be deemed to be a highly
28 reflective colored vehicle.

29 (g) As used in this section, exterior vehicle paint shall be deemed
30 to be "highly reflective" if it reflects 50 percent or more of the
31 sun's rays.

32 ~~SEC. 7:~~

33 *SEC. 8.* Section 43813 of the Health and Safety Code is
34 amended to read:

35 43813. (a) There is established in the Department of General
36 Services an energy-efficient vehicle group purchase program. The
37 department shall procure, to the maximum extent possible, highly
38 reflective colored vehicles as described in paragraph (3) of
39 subdivision (c) and subdivision (f) of Section 43812. The
40 department shall negotiate the lowest possible purchase price, with

1 one or more vendors, for energy-efficient vehicles on behalf of
2 state and local agencies that are interested in obtaining those
3 vehicles.

4 (b) In administering the program, the Director of General
5 Services shall do all of the following:

6 (1) No later than April 1, 2006, establish an advisory committee,
7 in cooperation with local and state agencies as defined in Section
8 43812.

9 (A) The committee shall meet at least once no later than 30 days
10 after all members are appointed.

11 (B) The committee shall consult with the department regarding
12 the design of the program and other matters relating to the purchase
13 of energy-efficient vehicles, no later than July 30, 2006.

14 (2) Notify all affected agencies about the purchasing program
15 through the department's Internet Web site and publications, the
16 Internet Web sites of appropriate associations, governing boards
17 of local agency associations, and other cost-effective means.

18 (3) After consultation with the committee pursuant to
19 subparagraph (B) of paragraph (1) of subdivision (b), the director
20 shall negotiate contracts, through competitive means and other
21 appropriate strategies, for the purchase of energy-efficient vehicles
22 at the lowest possible price from one or more reliable vendors.

23 (4) Include a provision in the vendor contract allowing any state
24 or local agency to purchase energy-efficient vehicles directly from
25 the vendor at the contract price.

26 (c) The department may recover its actual administrative costs
27 from program participants.

28 (d) Nothing in this article shall be construed as superseding or
29 precluding any similar program that is administered by a district,
30 any other public agency, or any other person.